STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

September 26, 2008

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii PSF No.: 08HD-145

HAWAII

Issuance of Revocable Permit to Richard Spiegel, dba: Volcano Island Honey Company, L.L.C., at Lalamilo, South Kohala, Hawaii, Tax Map Key: 3rd/6-9-01: portion of 15

APPLICANT:

Richard Spiegel, dba: Volcano Island Honey Company, L.L.C., whose business and mailing address is 46-4013 Puaono Road, Honokaa, HI 96727.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Lalamilo, South Kohala, Hawaii, identified by Tax Map Key: 3rd/6-9-01: portion of 15, as shown on the attached map labeled Exhibit A.

AREA:

4.00 acres, more or less, consisting of two 2-acre plots.

ZONING:

State Land Use District:

Conservation

County of Hawaii CZO:

Ag-5A

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

540.025 acres

Vacant/unencumbered

5.000 acres

Encumbered by Revocable Permit No. S-7404, to Richard Spiegel,

dba: Volcano Island Honey Company, L.L.C., for apiary operation

purposes.

CHARACTER OF USE:

Apiary operation purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

To be determined by staff appraiser, subject to review and approval by the Chairperson.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Assessment for the subject project was published in the OEQC's Environmental Notice on September 23, 2004 with a finding of no significant impact (FONSI).

At its meeting of October 8, 2004, the Board of Land and Natural Resources, approved the Conservation District Use Application (HA-3186) for the Kiawe Forest Apiary at Puako.

DCCA VERIFICATION:

Place of business registration confirmed:

YES

Registered business name confirmed: YES

Applicant in good standing confirmed:

YES

REMARKS:

The subject parcel, identified as TMK: 3rd/ 6-9-01:15, originally consisted of 775.083 acres, encumbered under General Lease No. S-4141, to Signal Oil and Gas Company. This 25-year lease, issued through a public auction, was effective February 23, 1968 and expired on February 22, 1993.

On December 31, 1969, General Lease No. S-4141 was assigned from Signal Companies, Inc., a Delaware corporation, to Signal Properties, Inc., a California corporation. On October 8, 1973, the lease was then assigned to Orchid Island Resorts Corporation, the corporate predecessor of Mauna Lani Resort, Inc.

At its meeting of August 22, 1986 (Item F-3), the Land Board approved the partial withdrawal of 230.067 acres from General Lease No. S-4141 and the subdivision of the entire 775.083 acre parcel into two separate parcels. Parcel 15 to consist of 545.025 acres, and Parcel 17 to consist of the remaining 230.067 acres.

At its meeting of January 14, 2005 (Item D-18), the Land Board approved the issuance of Revocable Permit No. S-7404 to Richard Spiegel, dba: Volcano Island Honey Company for apiary operation purposes. The revocable permit area consists of approximately five (5) acres.

By letter dated December 24, 2007, Mr. Spiegel requested use of an additional two 2-acre plots of land within close proximity of the existing permit area, which would allow him to split his colonies of bees into smaller separate colonies. This action would: 1) provide some safeguards in protecting his bee colonies by not having all his bees all in one central location. This was a lesson learned due to a recent brushfire in the immediate area that threatened the hives and the residential homes of Puako Beach Lots; 2) provide the bees a shorter travel time/distance between blossoms and the hive for efficient bee coverage of the kiawe forest; and 3) provide the bee colonies a wider foraging range, utilizing the availability of the entire kiawe forest.

The proposed use is allowable in the county zoning, which is Agriculture.

Richard Spiegel has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

Richard Spiegel has been in the beekeeping/ honey production business for over twenty-five years in the Puako, Lalamilo area.

To date, there have not been any applicants requesting the same parcel. Although there are no immediate plans for the area, a month-to-month tenancy is being recommended as staff is compelled to keep the area open and available for possible alternate uses.

Various governmental agencies and interest groups were solicited for comments in the Environmental Assessment process. All respondents at that time had no objections to the request.

On August 25, 2008, a request for comment was sent to OHA. To date, no response has been received.

Spiegel-Puako Apiary RP TMK: 3rd/ 6-9-01: portion of 15

RECOMMENDATION: That the Board:

- 1. Authorize the issuance of a revocable permit to Richard Spiegel, dba: Volcano Island Honey Company, covering the subject area for apiary purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
 - В. That the proposed use and activities shall be limited to the transport, placement, maintenance, repair and harvesting of beehive boxes and other related apiary operations within the subject area;
 - C. There shall be no construction of structures or development upon the subject property without further DLNR and County SMA review and approval;
 - D. Permittee shall be responsible for periodic maintenance and/or repairs to the existing graveled/dirt roadway, if required, to assure its accessibility to the permit area;
 - E. Permittee shall comply with Conservation District Use Permit HA-3186;
 - F. Review and approval by the Department of the Attorney General; and
 - G. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State;

Respectfully Submitted,

alene & Ulmolin

Wesley T. Matsunaga Land Agent

APPROVED FOR SUBMITTAL:

Laura H. Thielen, Chairperson

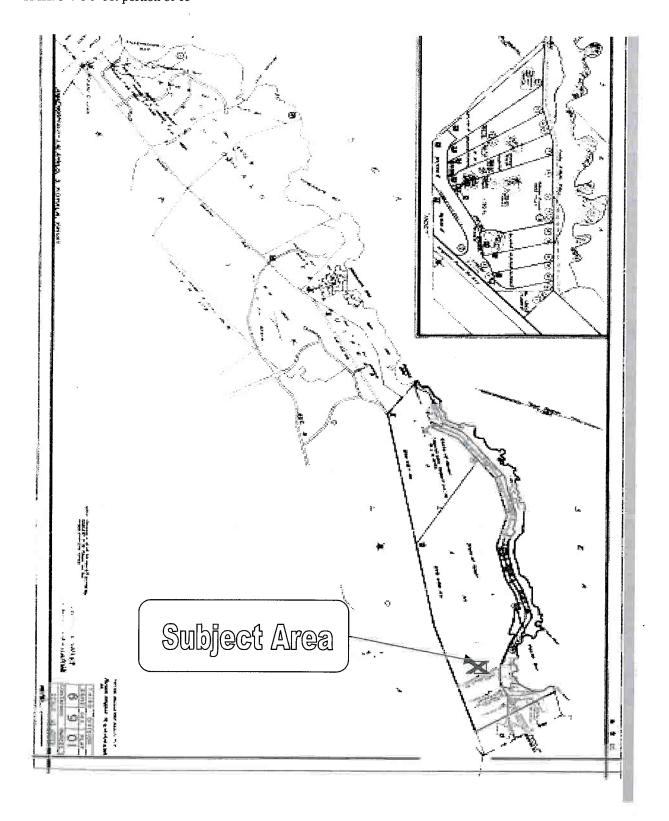


EXHIBIT A

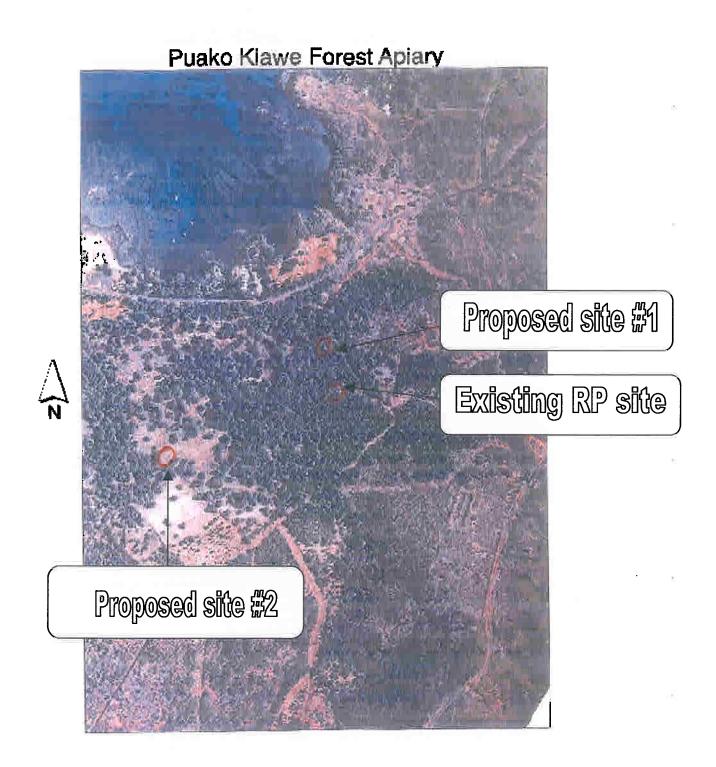


EXHIBIT A